

Springer of the Banking Committee and reported by him to the House two days later. The bill authorized the issue of three per cent, bonds, redeemable after ten days at the pleasure of the government; the cancellation of the greenbacks received in payment for the bonds, to the amount of new circulation issued; and the increase of national bank circulation to the par value of bonds deposited as security. This bill was defeated, on January 7th, by a vote of 135 to 162.

The eighth day of February, 1895, <sup>was</sup> marked by the delivery to Congress of a special message from President Cleveland, describing one of the most notable transactions of modern finance. The President announced the completion of a contract for the purchase by the government of 3,500,000 ounces of standard gold coin, by the delivery of about \$62,400,000 in four per cent, coin bonds, redeemable after thirty years.<sup>1</sup> The purchasers of the bonds were Messrs. August Belmont and Co., on behalf of themselves, and Messrs. N. M. Rothschild and Sons, of London, and Messrs. J. P. Morgan and Co., on behalf of themselves and Messrs. J. S. Morgan and Co. of London. The contract was witnessed by Assistant Secretary William E. Curtis, who had much to do with bringing it to a successful completion, and by Mr. Francis Lynde Stetson of New York. There was an alternative clause, reserving to the Secretary of the Treasury the right, in case he should receive authority from Congress within ten days, to substitute three per cent, bonds specifically payable in gold coin for the coin bonds authorized by existing law. The effect of this substitution, if the gold bonds were accepted at par, as the contract provided, would have been, according to the message of the President, to save the United States in interest charges \$539,159 per year, or \$16,174,770 during the thirty years fixed as the term. of the bonds. A bill to authorize this substitution of gold bonds was reported by Chairman Wilson of the Ways and

<sup>1</sup> The actual transactions under the contract were the delivery of \$65,162,244 in gold for 162,315,400 in *U. S. mfa.*—*Finance Report* 1895\*